

# INDUSTRY CIRCULAR

OFFICE OF THE COMMISSIONER OF INTERNAL REVENUE  
ALCOHOL AND TOBACCO TAX DIVISION



WASHINGTON, D. C. 20224

Industry Circular No. 67-3

April 21, 1967

## PROPOSED HEARINGS CONCERNING 27 CFR Part 5

Proprietors of Distilled Spirits Plants,  
Importers and Wholesalers of Distilled  
Spirits, Cooperage Industry, and others  
concerned:

This circular is issued to provide information about a series of public hearings proposed to be held to consider possible amendments of the regulations set forth in 27 CFR Part 5, Labeling and Advertising of Distilled Spirits.

The comments and suggestions submitted by interested persons in response to the Distilled Spirits Standards and Labeling Survey Committee's informal proposals (see Industry Circular No. 66-9, dated May 25, 1966) have been carefully reviewed and evaluated. We have also considered the petitions of several distillers which have been pending for some time requesting consideration of various proposals to amend provisions of the regulations applicable to the labeling of domestic whisky stored in used cooperage.

Sufficient grounds now exist, based on the petitions, industry requests in certain areas, and consumer interests, to justify proceeding with a series of public hearings in the following sequence.

1. Hearings will be held on industry proposals to amend the regulations governing the labeling of domestic whiskies particularly as affected by cooperage. This will afford an opportunity for hearing to those persons who have filed, or who may file, petitions on this subject, and to all persons who are interested in the proposals which are the subject of such petitions.

As stated, several petitions for hearings are now on file and unless withdrawn or modified by the petitions will be noticed for hearing. In essence, these request that the regulations be amended, (1) to permit domestic light flavored whisky (distilled at higher proofs) and aged in uncharred oak containers or used charred oak containers to bear a normal age statement, and (2) to permit the traditional American whiskies such as bourbon and rye to be made through storage in used barrels into which have been inserted sections of charred new oak wood or by storing such traditional whiskies first in used cooperage and later transferring them to

charred new oak cooperage for an additional storage period of at least two years after which age could be claimed for the total periods of storage. Several variations of these proposals have also been received.

If there are any other proposals to change in any manner the present regulations with respect to the labeling of domestic whiskies or the standards of identity thereof, petitions should be filed with the Director, Alcohol and Tobacco Tax Division, within 30 days of the date of this circular. The petitions should be specific as to the regulatory changes desired.

In order to obviate any misunderstandings as to sponsorship of the individual proposals, it is anticipated that the notice will state the proponent of each proposal to be considered.

2. Thereafter, proposals relating to substantive changes in regulations in areas other than those which were the subject of industry petitions concerning domestic whiskies and which are considered of sufficient merit to justify further consideration will be grouped and noticed for a separate hearing.

3. A final hearing is anticipated which will be based on a notice in the form of a complete new regulation. That notice will include an overall editing of the regulation so as to combine sections, rearrange subparts, reword language to achieve a higher degree of clarity and delete obsolete matter plus any changes which may result from the earlier hearings and the necessary conforming and editorial changes. Additional proposals for substantive changes found desirable during the period between the first and final hearings would be included in this hearing. It is emphasized that testimony will not be received at this hearing relative to matters which were decided pursuant to the earlier hearings.

Inquiries concerning this circular should refer to its number and be addressed to the Director, Alcohol and Tobacco Tax Division (Attention: CP:AT:JHL), Washington, D. C. 20224.



Harold A. Serr  
Director, Alcohol and Tobacco Tax Division